

Lenders and borrowers fact sheet

In order to borrow money to make a purchase, an individual (the borrower) meets with a lender to secure a loan. This handout provides brief descriptions of several fictitious lenders and borrowers.

Lenders: Businesses that loan money

1. Western Lending	2. Southern Bank
<ul style="list-style-type: none">▪ Specializes in auto loans and mortgages▪ Prefers borrowers who will provide a down payment▪ Offers loans from 3 to 6 percent APR▪ Loans from 6 months to 30 years▪ No penalty for early payoff	<ul style="list-style-type: none">▪ Specializes in loans for borrowers with no previous credit history▪ Offers loans from 8 to 12 percent APR▪ Loans from 1 to 5 years▪ Penalty for paying off loan early
3. Northern Bank	4. Eastern Credit Union
<ul style="list-style-type: none">▪ Specializes in personal loans over \$10,000▪ Requires borrowers to provide a down payment▪ Offers loans from 6 to 8 percent APR▪ Loans up to 20 years▪ No penalty for early payoff	<ul style="list-style-type: none">▪ Specializes in personal loans for borrowers with good to excellent credit▪ Offers loans from 3 to 6 percent APR▪ Loans up to 40 years▪ No penalty for early payoff
5. Midwestern Credit Union	6. Southwest Lending Inc.
<ul style="list-style-type: none">▪ Specializes in personal loans for all borrowers▪ Requires down payments on all loans▪ Offers loans from 4 to 10 percent APR; currently offering 6 months no interest▪ Loans up to 20 years▪ No penalty for early payoff	<ul style="list-style-type: none">▪ Specializes in auto loans, mortgages, and education loans for all borrowers▪ Prefers borrowers who will provide a down payment▪ Offers loans from 4 to 10 percent APR; currently offering 6 months no interest▪ Loans up to 20 years▪ Penalty for paying off loan early

Borrowers: People who need a loan

Borrower #1	Borrower #2
<p>\$10,000 college loan</p> <p>Will not provide a down payment</p> <p>Expected to repay the loan in 10 years</p> <p>No credit history, but parents are willing to cosign on a loan</p> <p>College student working weekends at local restaurant</p> <p>Monthly net income is \$1,000</p> <p>No credit history, so no current credit score</p>	<p>\$15,000 car loan</p> <p>Will make a down payment of \$2,000</p> <p>Expected to repay the loan in 6 years</p> <p>Usually pays off loans early and has never missed a payment</p> <p>Paralegal at law office</p> <p>Annual salary of \$49,960</p> <p>Monthly net income is \$2,869</p> <p>Credit score: 780 FICO score (excellent rating)</p>
Borrower #3	Borrower #4
<p>\$30,000 home improvement loan</p> <p>Will not provide a down payment</p> <p>Expected to repay the loan in 10 years</p> <p>Has missed a payment or two on previous loans</p> <p>Paper mill worker for 20 years</p> <p>Annual salary of \$49,480</p> <p>Monthly net income is \$2,854</p> <p>Credit score: 720 VantageScore (good rating)</p>	<p>\$8,000 loan for Hawaiian vacation</p> <p>Will not provide a down payment</p> <p>Expected to repay the loan in 10 years</p> <p>Has missed a payment or two on previous loans</p> <p>Teacher</p> <p>Annual salary of \$58,780</p> <p>Monthly net income is \$3,445</p> <p>Credit score: 680 FICO score (good rating)</p>
Borrower #5	Borrower #6
<p>\$3,000 loan to attend a high school reunion</p> <p>Will not provide a down payment</p> <p>Expected to repay the loan in 5 years</p> <p>New borrower who has only had one previous experience with a loan; still paying it off</p> <p>First job out of high school, customer service representative at local bank</p> <p>Annual salary of \$25,980</p> <p>Monthly net income is \$1,375</p> <p>Credit score: 670 FICO score (good rating)</p>	<p>\$5,000 loan for elective surgery</p> <p>Will provide a down payment of \$100</p> <p>Expected to repay the loan in 5 years</p> <p>Has typically had one or two late payments every year on previous loans</p> <p>Full-time retail worker</p> <p>Annual salary of \$23,210</p> <p>Monthly net income is \$1,175</p> <p>Credit score: 650 VantageScore (fair rating)</p>

Borrower #7	Borrower #8
<p>\$125,000 loan for a house</p> <p>Will provide a down payment of \$12,000</p> <p>Looking for a 30-year mortgage loan</p> <p>Worked to develop positive credit history while in college</p> <p>Emergency room nurse (with BSN degree)</p> <p>Annual salary of \$70,000</p> <p>Monthly net income is \$4,109</p> <p>Credit score: 740 VantageScore (good rating)</p>	<p>\$3,000 loan to purchase a purebred dog</p> <p>Will provide a down payment of \$200</p> <p>Not sure how long it will take to pay back the loan</p> <p>History of paying loans on time</p> <p>Currently has three outstanding loans</p> <p>Prep cook in fast food restaurant</p> <p>Annual salary of \$25,180</p> <p>Monthly net income is \$1,317</p> <p>Credit score: 750 FICO score (very good rating)</p>
Borrower #9	Borrower #10
<p>\$5,000 loan for a car repair bill</p> <p>Will not provide a down payment</p> <p>Expected to repay the loan in 3-5 years</p> <p>Has a history of late payments</p> <p>Entry-level dock worker</p> <p>Annual salary of \$25,870</p> <p>Monthly net income is \$1,367</p> <p>Credit score: 550 FICO score (fair rating)</p>	<p>\$2,000 loan for a new laptop</p> <p>Will provide a down payment of \$100</p> <p>Expected to repay the loan in 1 year</p> <p>Making payments on one car loan</p> <p>Insurance agent</p> <p>Annual salary of \$52,460</p> <p>Monthly net income is \$3,027</p> <p>Credit score: 920 VantageScore (excellent rating)</p>
Borrower #11	Borrower #12
<p>\$4,500 loan for a big-screen TV</p> <p>Will provide a down payment of \$200</p> <p>Not sure how long it will take to pay back the loan</p> <p>No current debt but paid off previous loans on time</p> <p>Operations management trainee at car rental company</p> <p>Annual salary of \$41,023</p> <p>Monthly net income is \$2,301</p> <p>Credit score: 700 VantageScore (good rating)</p>	<p>\$50,000 loan to start pet-grooming business</p> <p>Will not provide a down payment</p> <p>Not sure how long it will take to pay back the loan.</p> <p>Currently paying on a car loan</p> <p>Currently working in local vet office</p> <p>Annual salary of \$23,610</p> <p>Current monthly net income is \$1,204</p> <p>Credit score: 739 FICO score (good rating)</p>